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FOREIGN SERVICE DESPATCH

FROM : AmEmbassy TAIPEI

TO : THE DEPARTMENT OF STATE

REF :

67	ACTION	DEPT.
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ACTION ASSIGNED TO
12/15/59
CLIA-10 USIA-10

SUBJECT: Kuomintang (KMT) Secretary-General T'ANG Tsung's Views on KMT Division into Conservative and Liberal Wings

[redacted] scholar now engaged in a research study on China [redacted] called at the Embassy November 24, 1959, to discuss the local political situation. [redacted] acute observer and had unusual success in winning the confidence of Chinese officials. His report of an interview he had with Secretary-General T'ANG Tsung of the Kuomintang (KMT) is believed to be of special interest both for the light cast on current divisions of opinion within the KMT and as an illustration of the comparative candor with which T'ang Tsung can be persuaded to discuss domestic political matters.

Asked by [redacted] whether there were any factional divisions within the KMT, T'ang Tsung said the Party comprised what could be called a "liberal" wing and a "conservative" wing which T'ang further described as the group which favors "revolutionary party discipline." T'ang did not identify the adherents of the two groups, but he did cite some instances of the points at issue between these groups within recent months. First, with respect to educational policy, there was a dispute between those who favored the traditional curriculum and those who favored a more progressive course of studies with emphasis on science and technology. A second difference involved the economic policies of the Government. The "conservative" element favored a policy of retention of government controls over the economy, while the "liberal" element advocated a relaxation of controls and vigorous measures to encourage foreign investment. The third difference was about overseas Chinese policy, with the "liberals" favoring greater emphasis on assimilation and more weight to GRC relations with host country governments. T'ang pointed out that the "liberals" had won out on each of these issues.

COMMENTS:

1. The normal public position of the KMT is that cliques and factions were eliminated by the Party reform of 1950 - 1952. There is considerable truth in this position. The only area where the old-style clique alignments retain much functional significance is in the Legislative and Control YUANS. In the executive area there are residual traces of past clique affiliations; however, they do not seem to form the basis for working relationships.

DLOsborn:ch

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Shortly after the Party reforms were completed, a trend toward polarization within the Party was noted, but it was then (and still is) normally ascribed by Chinese observers to the division between supporters of CH'EN Ch'eng and those of CHIANG Ching-kuo, with a third group of important persons directly loyal to the President. It is especially difficult in Chinese politics to isolate principles from personalities. However, Chiang Ching-kuo's past activities, and particularly his role in the 1950 Party reforms, certainly place him on the side of "revolutionary party discipline," whereas Ch'eng's past leadership of the "San Min Chu I Youth Corps" Clique (a major force in the "liberal" opposition to the dominant and "reactionary" CC Clique on the mainland) tends to identify him with the liberal cause. Ch'eng's liberal identification has been strengthened in the past year by guarded support of noted liberals for his presidential candidacy.

The view of the KMT as divided into right and left wings is appealing in its simplicity, and may sometimes help to sort out the fall of opinion within the Party on policy issues like the three mentioned by T'ang Tsung. However, it runs the risk of over-simplification if applied too generally. Some individuals in the Party would probably, in any show-down between principle and personal allegiance, choose principle. But the majority would usually put personal allegiance first.

The Publications Law Revisions Bill, passed by the Legislative Yuan last year, was an issue of principle whose liberal and conservative sides were clearly defined. At President Chiang's behest, Ch'eng committed his prestige to the conservative side. Ch'eng's supporters (e.g., Minister of Communications YUAN Shou-ch'ien) also exerted themselves for the conservative goal of passage of the bill. This is not an isolated instance, but in fact the normal pattern in the Legislative Yuan, where the "Ch'eng-Ch'eng Clique," as the major pro-Government force, finds itself on the conservative side of most controversial issues (e.g., the Wrongful Detention Compensation Law), voting with the "New Central Clique," which is generally considered to be aligned with Chiang Ching-kuo.

In sum, while one may speak of a division of the KMT into conservative and liberal wings, these are terms to be used with caution and with the reservation that they do not represent fixed alignments of the individual Party members involved. In the determination of such alignments, personal loyalties are at least as important as principle. Those loyal to Ch'eng tend to find themselves in the liberal camp on many issues, while Chiang Ching-kuo's supporters are most often on the side of "revolutionary Party discipline." However, both these men are bound by loyalty to the President, as are most of their supporters as well as numbers of important individuals who are linked directly to neither Ch'eng nor Ching-kuo. These loyalties may reverse or obscure individual commitments to principle.

2. The manner in which [redacted] won the confidence of T'ang Tsung and other GRC officials may be of interest. As [redacted] tells it, shortly after arriving in Taiwan, he visited KMT Headquarters and asked point-blank about the factional situation in the KMT. He was given the standard public position (see preceding comment). He then proceeded systematically to cultivate the "opposition" element, including Free China publisher LEE Chen, various "third force" politicians

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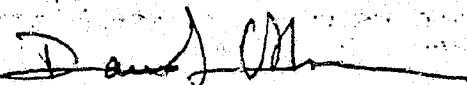
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in Hong Kong, ex-Mayor of Taipei Henry KAO, and others. Armed with a good background of information, he returned to KMT headquarters for an interview with T'ang, who then talked quite readily, even though the conversation was through an interpreter.

From the comments of GRC officials, especially GIO Director Sampson SHEN and Deputy Director CHU Hsin-min, it would appear that the relative frankness of [redacted] Chinese contacts reflected also their reaction to his intelligence and to the cleverness with which he got across his sympathetic understanding of the KMT position. One question which [redacted] asked of the KMT leadership was: "Why did the KMT, at the end of World War II, make the mistake of going ahead with the termination of the period of political tutelage, inasmuch as the war had interrupted the tutelage process in most of the country?" The KMT has long attributed the loss of the mainland in part to the abuse by the liberal "democratic personages" of the political freedoms bestowed on them by the KMT. However, it is a novel and most gratifying experience for the KMT to be accused by a foreigner of an excessive devotion to democracy. Chu Hsin-min commented that this question of [redacted] was the most perceptive question about China he had ever heard from a foreigner. At any rate, it was a good door-opener.

For the Charge d'Affaires, ad interim



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